



Department of Justice

FOR IMMEDIATE RELEASE
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JUSTICE DEPARTMENT REQUIRES VOTING MACHINE MANUFACTURERS TO SELL OFF VOTING TABULATION BUSINESS IN ORDER TO MERGE

Eight State Attorneys General Participate in Investigation

WASHINGTON, D.C.-- After the Department of Justice expressed concern about the possible anticompetitive effects of a merger between two voting machine manufacturers--American Information Systems and Business Records Corp.--Business Records agreed to sell its optical scan vote tabulation business to a third party. Optical scan vote tabulation equipment is used by state and local governments to run elections.

Attorneys General from eight states--Texas, Minnesota, Wisconsin, Florida, Arizona, Washington, Rhode Island, and Pennsylvania--participated in the investigation.

Omaha, Nebraska-based American Information Systems and Dallas-based Business Records are two of only three manufacturers of optical scan vote tabulation equipment in the U.S.

Sequoia Pacific Systems of Exeter, California, a division of St. Louis, Missouri-based Smurfit Packaging Corp., will buy Business Records' optical scan vote tabulation business. Sequoia Pacific is a leading maker of direct recording electronic vote tabulation equipment with substantial experience in the elections business.

Under the terms of the divestiture, Sequoia Pacific will immediately be able to compete for sales of such products.

"State and local governments--like any other consumers--rely on competition to get fair prices," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division. "This divestiture preserves competition for voting machines, which is the best way to ensure that taxpayers and voters are protected from high prices and low quality."

Optical scan vote tabulation equipment electronically counts and records ballots. This equipment differs from other types of vote tabulation equipment in several respects, most notably in its use of paper ballots, and is viewed by many state and local governments to be the preferred way to record votes accurately. Like most products sold to public entities, optical scan vote tabulation equipment is generally sold through a competitive bidding process.

Business Records Corporation had 1996 revenues in all of its product lines of about \$100 million.

American Information Systems is an unincorporated, wholly-owned subsidiary of the Omaha World-Herald Company. American Information Systems' 1996 sales in all of its product lines were about \$14.3 million.

Sequoia Pacific Systems is a division of Smurfit Packaging Corporation, which is owned by the Jefferson Smurfit Group plc. Jefferson Smurfit Group is headquartered in Dublin, Ireland and had 1996 revenues of about IR£2,594,141,000, with its U.S. operations accounting for IR£185,054,000 of that total.

The Department said that additional assistance was provided by the offices of the State Attorneys General of Oregon, Oklahoma, Michigan and Iowa. Working closely with state enforcers on matters of mutual interest has been a major priority of the Antitrust Division.

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